

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

**Gübre Fabrikaları Türk Anonim Şirketi**

**Consolidated statement of financial position as at 31 December 2016**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited	Audited
	Notes	31 December 2016	(Restated-Note2.4) 31 December 2015
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	5	136.519.570	364.409.394
Financial investments	31	24.961.482	7.720.146
Trade receivables			
- Trade receivables from related parties	30	97.413.609	135.955.617
- Trade receivables from third parties	7	289.086.265	251.170.309
Other receivables			
- Other receivables from related parties	30	2.756.403	228.630
- Other receivables from third parties	8	167.768.077	193.544.984
Inventories	9	814.012.500	958.089.021
Prepaid expenses	10	75.887.364	54.210.898
Derivative financial instruments	20	16.743.178	-
Assets related to the current period taxes	28	5.687.893	387.155
Other current assets	18	17.452.274	49.506.210
<b>Total current assets</b>		<b>1.648.288.615</b>	<b>2.015.222.364</b>
<b>Non-current assets:</b>			
Financial investments	31	44.152.656	39.504.710
Other receivables			
- Other receivables from related parties	30	94.567.063	102.902.884
- Other receivables from third parties	8	23.074.100	26.396.569
Investments valued by equity method	3	9.025.166	8.581.263
Investment properties	11	57.028.000	14.266.000
Property, plant and equipment	12	1.219.905.720	1.157.908.601
Intangible assets			
-Goodwill	13	188.461.258	168.244.294
-Other intangible assets	13	29.129.804	29.570.130
Prepaid expenses	10	40.975.917	20.020.062
Deferred tax assets	28	28.524.082	44.939.625
<b>Total non-current assets</b>		<b>1.734.843.766</b>	<b>1.612.334.138</b>
<b>Total assets</b>		<b>3.383.132.381</b>	<b>3.627.556.502</b>

The consolidated financial statements for the year ended 31 December 2016 have been approved by the Board of Directors on 13 March 2017.

The accompanying notes form an integral part of these consolidated financial statements.

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**Consolidated statement of financial position as at 31 December 2016**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited	Audited (Restated- Note2.4)
	Notes	31 December 2016	31 December 2015
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Short term borrowings	6	798.391.047	919.798.706
Current portion of long-term borrowings	6	42.297.246	36.809.807
Trade payables			
- Trade payables to related parties	30	5.224.461	3.706.743
- Trade payables to third parties	7	627.026.512	513.673.796
Employee benefit obligations	17	35.667.368	16.622.317
Other payables			
- Other payables to third parties	8	153.941.939	45.040.111
Deferred income	10	34.436.793	32.648.994
Current income tax liability	28	53.959.350	61.851.406
Short-term provisions			
- Short-term provisions for employee benefits	17	24.212.339	19.438.117
- Other short term provisions	16	79.923.906	68.233.395
<b>Total current liabilities</b>		<b>1.855.080.961</b>	<b>1.717.823.392</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	6	99.492.773	119.304.435
Long-term provisions			
- Long-term provisions for employee benefits	17	185.422.202	152.525.000
Deferred tax liability	28	41.518.380	32.279.455
<b>Total non-current liabilities</b>		<b>326.433.355</b>	<b>304.108.890</b>
<b>Total liabilities</b>		<b>2.181.514.316</b>	<b>2.021.932.282</b>
<b>Shareholders' equity:</b>			
Share capital	19	334.000.000	334.000.000
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
- Revaluation gains/losses on property, plant and equipment	27	262.570.832	262.570.832
- Actuarial gain/(loss) arising from defined benefit plans		(945.335)	-
- Foreign currency translation reserve		(62.489.158)	(74.870.622)
- Shares to be classified as profit / loss from other comprehensive income of investments accounted for by the equity method	3	(25.428.512)	(13.780.834)
Restricted reserves			
-Legal reserves	19	41.378.380	39.708.380
Retained earnings		466.809.637	416.698.169
Net income or expense		(68.736.970)	85.181.468
<b>Equity attributable to equity holders of the parent</b>		<b>947.158.874</b>	<b>1.049.507.393</b>
Non-controlling interests		254.459.191	556.116.827
<b>Total shareholders' equity</b>		<b>1.201.618.065</b>	<b>1.605.624.220</b>
<b>Total liabilities and equity</b>		<b>3.383.132.381</b>	<b>3.627.556.502</b>

The accompanying notes form an integral part of these consolidated financial statements.